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WORKING DOCUMENT

From:	General Secretariat of the Council
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Subject:	Regulation establishing the conditions for the implementation of Union support under the CAP - Presidency drafting suggestions on blocks 7a, 7b and 7c

With a view to the meeting of the Working Party on Horizontal Agricultural Questions (Post-2027 CAP), (WP HAQ) on 14-15 July 2026, delegations will find in annex the Presidency suggested amendments on the above proposal, concerning blocks 7a "Definitions and Interventions", 7b "Monitoring of agricultural resources, requirements, CAP Networks, International commitments, Competition provisions", and 7c "Controls and penalties".

Changes to text as compared to the Presidency suggested amendments of 17 June 2026 (10367/26) are marked in **bold** (additions) and ~~strikethrough~~ (deletions).

Please note that revisions for Article 21b will be made at a later date, as this will be necessary to align the provisions in this regulation with those in the CMO Regulation.

Furthermore, no suggested amendments have been made to the definitions of farmer (Art. 2a(1)), active farmer (Art. 2b(2)) or eligible hectares (Art. 2b(5)) at this time. Further discussions are foreseen in this regard.

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Title I

Subject matter, CAP national recommendations and definitions

Article 2a

[Article 4(14), (15) and (17) NRP Regulation]

Definitions

For the purposes of this Regulation the following definitions apply:

(1) 'Farmer' means: a natural or legal person, or a group of natural or legal persons, regardless of the legal status granted to such group and its members by national law, who has a holding as defined in Article 4(~~16~~**15**) of NRPP regulation, and who exercises an agricultural activity as determined by Member States in accordance with Article 2b(3) of this Regulation.

(2) 'Agricultural Knowledge and Innovation System' or 'AKIS' means the combined organisation and knowledge flows between persons, organisations and institutions who use and produce knowledge and ~~innovations~~**innovation** for agriculture and interrelated fields referred to in Article 20 of this Regulation;

(3) 'organic farming' means organic production ~~system~~ certified in accordance with Regulation (EU) 2018/848 of the European Parliament and of the Council[1]

(4) 'the smaller Aegean islands' means any islands in the Aegean Sea except the islands of Crete and Evia~~;~~**.**

[1] Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150 14.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/848/oj).

Article 2b

[Article 4(22) and (23) NRP Regulation]

Definitions to be provided for in the NRP Plans

1. Member States shall further establish in their NRP Plans the definitions of '{active farmer}', 'agricultural activity', 'agricultural area', 'eligible hectare', 'young farmer', and 'new farmer' pursuant to this Article, in accordance with objective and non-discriminatory criteria and the principle of proportionality.

2. {'Active farmer'}

3. 'Agricultural activity' shall be determined through ~~one or both of~~ the following activities**, between which farmers may choose**:

   (a) production of agricultural products, which consists of all activities aimed at obtaining those products; where agricultural products mean products listed in Annex I to the TFEU, with the exception of fishery products, as well as cotton and short rotation coppice;

   (b) maintenance of agricultural areas, which consists of ~~the~~ activities aiming at keeping the land in a state suitable for grazing or cultivation; where duly justified for animal welfare or environmental reasons, extensive grazing of an agricultural area that does not result in an increase of agricultural production for the farmers concerned may also be considered 'maintenance'.

4. 'Agricultural area' shall be determined ~~in such a way as~~ to comprise only land which is used for agricultural activities, including when it forms agroforestry systems.

5. 'Eligible hectare' shall be determined ~~in such a way as~~ to comprise only areas which are at the farmers' disposal and which comprise:

   (a) agricultural areas on which an agricultural activity is performed under the farmer's control in terms of management, benefits and financial risks. If non-agricultural activities are also performed on these areas, the agricultural activity shall be predominant**. Where duly justified for environmental, biodiversity or climate-related reasons, Member States may decide that eligible hectares also include certain areas used for agricultural activities only every second year**;

(b) areas for which support was provided under interventions referred to in Article 5(1) points (a) and (g) [degressive income support, small farmers] of this Regulation, or gave a right to payments under the basic income support for sustainability under Title III, Chapter II, Section 2, Subsection 2, [BISS [all incl. entitlements], small farmers scheme], of Regulation (EU) 2021/2115, where agricultural activity is not performed due to commitments and obligations arising from Union or national **law** interventions or other programmes which contribute to the environmental and climate-related CAP specific objectives;

(c) Member States may decide to include ~~in the notion of 'eligible hectare'~~ landscape features, not covered by the commitments and schemes referred to in point (b), provided that these landscape features do not significantly hamper the performance of agricultural activity and are not predominant on the agricultural parcel. **As regards permanent grassland with scattered ineligible features, Member States may decide to apply fixed reduction coefficients to determine the area considered eligible.**

Production of hemp varieties with Tetrahydrocannabinol (THC) content exceeding 0,3 % shall not be eligible for support under this Regulation[2].

6. 'Young farmer' shall be determined in such a way as to comprise natural or legal persons meeting the definition of 'farmer' referred to in Article 2a(1) who fulfil at least the following conditions:

(a) an upper age limit set between 35 years and 40 years **inclusive**;

(b) being 'head of the holding'.

Where a farmer is deemed to fall within the definition of 'young farmer' at the moment of first access to support, that status shall be maintained for the full duration of the period of eligibility established under the relevant support scheme, irrespective of the farmer subsequently exceeding the upper age limit.

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[2] Text to be adapted

7. ‘New farmer’ shall be determined in such a way as to refer to a farmer other than a young farmer and who is head of the holding for the first time. **Member States may include further objective and non-discriminatory criteria concerning appropriate training or skills.**

Title II
General requirements and types of interventions

Chapter II
Types of interventions

Article 11a

[Article 39 NRP Regulation]

Crop-specific payment for cotton

1. Bulgaria, Greece, Spain and Portugal shall grant a crop-specific payment for cotton to farmers producing cotton falling within CN code 5201 00. Those Member States shall establish specific requirements to guarantee a minimum level of production efficiency and product quality.

2. The Member States referred to in paragraph 1 shall ensure that the supported cotton production does not put excessive strain on natural resources such as water and soil. To that end, or for other environmental or socio-economic reasons, those Member States may grant the aid only for specific cotton varieties, in specific regions, or for specific types of farming, or may establish requirements related to agronomic practices.

3. The crop-specific payment for cotton shall be granted per hectare of eligible area of cotton.

4. The following national base areas are established:

   (a) Bulgaria: 3 342 ha;

   (b) Greece: 250 000 ha;

   (c) Spain: 48 000 ha;

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(d) Portugal: 360 ha.

5. The following fixed yields in the reference period are established:

(a) Bulgaria: 1.2 tonne/ha;

(b) Greece: 3.2 tonne/ha;

(c) Spain: 3.5 tonne/ha;

(d) Portugal: 2.2 tonne/ha.

6. The amount of the crop-specific payment per hectare of eligible area shall be calculated by multiplying the yields laid down in paragraph 4 with the following reference amounts:

(a) Bulgaria: EUR 636.13;

(b) Greece: EUR 229.37;

(c) Spain: EUR 354.73;

(d) Portugal: EUR 223.32.

7. If the eligible area of cotton in a given Member State in a given year does not exceed the base area laid down in paragraph 4, then the amount per hectare referred to in paragraph 6 may be increased either by a coefficient obtained by dividing the national base area by the actual eligible area, or increased by 25 %, whichever is smaller.

8. If the eligible area exceeds the base area, the amount per hectare shall be reduced proportionately to the overrun of the base area.

9. For the purposes of this Article, an ‘approved interbranch organisation’ means a legal entity made up of and founded by farmers producing cotton and at least one ginner. Such organisations shall ensure efficient and durable action with the goal to concentrate supply and to adapt production to market requirements.

10. The Member State where the ginners are established shall approve interbranch organisations that satisfy the criteria laid down in paragraph 9.

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11. In the case of farmers who are members of an approved interbranch organisation, the crop-specific payment for cotton for hectares that are eligible within the national base area laid down in paragraph 4 shall be increased by an amount of EUR 2. For this purpose, Member States may establish specific requirements for the members of such interbranch organisations.

Article 17a

[Article 74(3) NRP Regulation]

Specific provisions concerning CAP interventions on cooperation

1**.** Member States shall limit the support for setting-up of producer groups~~,~~ **or** producer organisations ~~or interbranch organisations refered~~**referred** to in Article 74(1)(f) of Regulation (EU) […] NRP to ~~10% of the turnover of the group or organisation with~~ a maximum of EUR ~~100 000~~**125 000** per year~~; that support shall be degressive and limited to the first five years following recognition or the start of joint activities intended to lead to recognition as determined by Member States in the Agriculture chapter of their NRP Plans.~~**.**

2. **Member States shall limit the support for setting-up of interbranch organisations referred to in Article 74(1)(f) of Regulation (EU) […] NRP to 10 % of the annual turnover of the interbranch organisation, up to a maximum of EUR 125,000 per year.**

3. **The support referred to in paragraphs 1 and 2 shall be degressive and limited to the first five years following recognition or following the start of joint activities intended to lead to recognition as specified by Member States in the Agriculture chapter of their NRP Plans.**

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Article 20a

[Article 38 NRP Regulation]

Crisis payments to farmers following natural disasters, adverse climatic events and catastrophic events

1. Member States may provide crisis payments to farmers that are affected by natural disasters, adverse climatic events or catastrophic events **including those caused by animal and plant diseases**. Those payments shall aim at ensuring continuity of the agricultural activity of those farmers and shall be subject to the conditions set out in this Article and as further specified by the Member States.

2. Support under this Article shall be subject to the formal recognition by the competent authority of the Member State that a natural disaster, adverse climatic event or catastrophic event**, including where caused by animal and plant diseases**, as defined by the Member State, has occurred and that these events, or measures adopted in accordance with Regulation (EU) 2016/2031 to eradicate or contain a plant disease or pest, or measures adopted to prevent or eradicate animal diseases listed in the Annex to Commission Implementing Regulation (EU) 2018/1882 or measures adopted regarding an emerging disease in accordance with Article 6(3) and Article 259 of Regulation (EU) 2016/429 have directly caused a damage resulting in the destruction ~~of at least~~**which exceeds** 30 % of the average annual production of the farmer in the preceding three-year period or a three-year average based on the preceding five-year period, excluding the highest and the lowest entry.

3. The losses shall be calculated either at holding level, at the level of the holding's activity in the sector concerned or in relation to the specific area ~~concerned~~**of a holding**.

4. Member States shall establish the applicable support rates for compensating the loss of production. Those rates ~~shall~~**may** be higher for farmers who also implement interventions, or other preventive actions at farm level, to reduce the level of production and income risks for which support is granted. **Member States shall determine the interventions or other preventive actions at farm level based on which higher support rates shall apply.** Indexes may be used for calculating the loss of production.

5. When granting support under this Article, Member States shall ensure that overcompensation as a result of the combination of this support with other national or Union support instruments or private insurance schemes is avoided.

Chapter III

Support for intervention for Smaller Aeagean islands

Article 20b

[Article 42 NRP Regulation]

Scope, objectives and common requirements

1. This Chapter lays down specific types of intervention for agriculture to mitigate the difficulties caused by the insularity, small size and distance from markets of the smaller Aegean islands.

2. For the purposes of this Regulation 'the smaller Aegean islands' means any islands in the Aegean Sea except the islands of Crete and Evia.

3. In addition to contributing to the specific objectives set out in Article 3, point (d), of Regualtion (EU) […] [NRP], the interventions referred to paragraph 1 shall contribute to the following objectives:

   (a) guaranteed supply to the smaller Aegean islands of products essential for human consumption or for processing and as agricultural inputs by mitigating the additional costs incurred due to their extreme remoteness or insularity, without harming local production and the growth thereof;

   (b) securing the long-term future and development of agricultural activities in the smaller Aegean islands, including the production, processing and sale of local crops and products, with a particular focus on food security and self-sufficiency, and maintaining and strengthening their competitiveness.

4. Greece may implement in smaller Aegean islands the interventions referred to in Article 5(1), except for those referred to in point (o) [outermost regions].

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5. Farm stewardship referred to in Article 3 shall apply to beneficiaries receiving support for local agricultural products referred to in Article 20d [ex- Art 44 NRP - Support for local agricultural products].

6. However, beneficiaries of support for local agricultural products referred to in Article XX [ex-Art 44 NRP - Support for local agricultural products] receiving an annual payment that does not exceed EUR 3 000 shall be exempt from farm stewardship requirements referred to in Annex XI, parts A and C.

Article 20c

[Article 43 NRP Regulation]

Specific supply arrangements

1. Specific supply arrangements shall be established for the agricultural products listed in Annex I to the TFEU which are essential in the smaller Aegean islands for human consumption, for the manufacture of other products or as agricultural inputs.

2. Greece shall establish in its Plan, at the geographical level which it deems most appropriate, a maximum volume of each agricultural product, from among the products listed in Annex I to the TFEU, to quantify the annual supply requirements for the smaller Aegean islands.

3. The maximum volume of agricultural products referred to in the first subparagraph shall comprise also the volumes of those products required by undertakings packaging and processing products intended for the local market, for consignment to the rest of the Union or for export to third countries as part of regional trade or within the context of traditional trade flows. The maximum volume of the products referred to in the first subparagraph shall be established taking into account in particular the quantities of those products established in the supply forecast balance sheets in the previous programming period.

4. Support shall be granted to supply the smaller Aegean islands with Union products to ensure special supply requirements established in accordance with paragraph 2 in terms of price and quality, while maintaining the Union’s share in the supplies of those products.

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5. No support shall be granted for the supply of products which have already benefited from the specific supply arrangements in another smaller Aegean islands.

6. Only products of sound, fair and marketable quality shall benefit from the specific supply arrangements.

7. Access to aid within the framework of the specific supply arrangements shall be granted on presentation of a certificate. Certificates shall be issued only to operators entered in a resgister held by the competent authorities Those certificates shall not be transferred.

8. In implementing the specific supply arrangements, Greece shall take account in particular of the need to ensure that existing local production is not destabilised nor obstructed in its development and of the requirement laid down in paragraph 5.

Article 20d

[Article 44 NRP Regulation]

Support for local agricultural products

1. Greece shall grant support for production, processing, marketing and transport of raw and processed agricultural products in the smaller Aegean islands.

2. Greece shall design the interventions so as to ensure the continuity and the development of local agricultural production in the smaller Aegean islands.

3. Greece shall provide for a fair distribution of payments. Greece may cap the amount of the support to be granted to a beneficiary in a given calendar year or use degressive payments.

4. Greece may grant support for marketing of products outside of the region in which they are produced. That support shall not exceed 10 % of the value of the production marketed, delivered to a destination zone in a given calendar year.

5. When a Plan is amended in accordance with Article 24 [amendments to Plans], of Regulation (EU) […] [NRP] beneficiaries affected by the exceptional natural disaster or the severe meteorological event may continue to benefit from support in the form of measures to support production, processing, marketing or transport provided for in paragraph 1 irrespective of their level of activity throughout the restoration period, but subject to a formal commitment to restore their agricultural production capacity.

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Article 20e

[Article 45 NRP Regulation]

Controls and penalties

1. For the specific supply arrangements, Greece shall conduct verifications by means of administrative, physical and on-the-spot checks.

2. The administrative checks carried out on the import, entry, export and dispatch of agricultural products shall be exhaustive and shall involve cross-checks with the supporting documents. The physical checks carried out in smaller Aegean islands concerned on the import or entry of agricultural products shall involve a representative sample amounting to at least 5 % of the licences and certificates.

3. In the case of measures to support the local production, Greece shall conduct verifications by means of administrative and on-the-spot checks.

4. Administrative checks shall be exhaustive and shall include cross checks with, inter alia, data from the integrated administration and control.

5. Aid applicants for specific supply arrangements and support the local production shall be selected to undergo on-the-spot checks by the competent authority on the basis of a risk analysis and the representativeness of the aid applications submitted, the competent authorities shall perform on-the-spot checks by sampling, for each action, at least 5 % of aid applications. The sample shall also represent at least 5 % of the amounts covered by the aid for each action.

   In all appropriate cases, Greece shall make use of the Integrated Administration and Control System provided for in Article XX [IACS] and in accordance with Article 70 of Regulation EU […] [NRP].

   Every on-the-spot check shall be the subject of an inspection report relating the details of the checks carried out.

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Title III

Monitoring of agricultural resources

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Article 20f

[Article 37 NRP Regulation]

Monitoring of agricultural resources

The Fund may support**, pursuant to Article 12 of Regulation (EU) …/… [NRP]** actions taken by the Commission through remote-sensing applications used for the monitoring of agricultural resources, which shall aim to give the Commission the means to:

(a) manage Union agricultural markets in a global context;

(b) ensure agri-economic and agri-environmental-climate monitoring of agricultural land use and agricultural land use change, including agro-forestry, and monitoring of the condition of soil, crops, water, biodiversity, agricultural landscapes and agricultural land so as to enable estimates to be made, **including through econometric models and studies,** in particular as regards yields and agricultural production and agricultural impacts associated with exceptional circumstances, and to enable the assessment of the resilience of agricultural systems and progress towards the achievement of the relevant **EU economic, environmental and social sustainability goals, including in the context of the** United Nations Sustainable Development Goals;

(c) share the access to the estimates referred to in point (b) in an international context, such as the initiatives coordinated by United Nations organisations, including the constitution of greenhouse gas inventories under the United Nations Framework Convention on Climate Change, or other international agencies;

(d) contribute to specific measures increasing the transparency of world markets, taking account of Union objectives and commitments;

(e) ensure technological follow-up of the agri-meteorological system.

Where necessary, those actions shall be carried out in collaboration with the European Environment Agency, national laboratories and bodies or with the involvement of the private sector.

Title IV

Specific provisions

Chapter I

Requirements concerning CAP interventions in the NRP Plans

Article 20g

[Article 36(1) NRP Regulation]

Requirements concerning CAP interventions in the NRP Plans

In addition to the elements referred to in Article 22 of Regulation (EU) [...] [NRP Regulation], Member States shall provide for each CAP intervention referred to in Article 5(1) set out in the chapter or chapter related for agriculture in the NRP Plans.

(a) the type of intervention ~~on which it is based~~**, in accordance with Article 5 of this Regulation**, **and** the territorial scope ~~and the type of area targeted by~~**of** the intervention;

(b) where applicable, sectors targeted ~~by the intervention~~ or group of farmers or other beneficiaries targeted ~~under the intervention,~~**, the area or type of area targeted and the** CAP environment and climate priority area **targeted**, in accordance with Article 4 of this Regulation;

(c) an explanation of the relevant criteria of Annex 2 to the WTO Agreement on Agriculture as referred to in Article ~~20l~~**20i** [WTO domestic support] and in Annex IIa [WTO annex] to this Regulation;

(d) a description of the design of the intervention, including **a list of** the eligibility conditions~~, and, for agri-environmental and climate actions referred to in Article 10 of this Regulation~~;

(e) ~~a description of farming practices in accordance with paragraph 5 of~~**for agri-environmental and climate actions referred to in** Article ~~3~~**10** of this Regulation **a selection of the relevant farming practice or practices**;

(f) in relation to the interventions in certain sectors referred to in Part II, Title I, Chapter IIa , section 3 of Regulation (EU) No 1308/2013, justification for targeting the selected sectors and complementarity with other CAP interventions, and where relevant, with other measures set out in the NRP Plan.

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Chapter II
European and national CAP Networks

Article 20h

[Article 57 NRP Regulation]

European and national CAP Networks

1. Each Member State shall, at the latest 12 months after the approval ~~by the Commission~~ of the Plan, establish and ~~support~~ **maintain** a national network for CAP ('national CAP network') for the networking of organisations and administrations, advisors, researchers and other innovation actors, and other actors in the field of agriculture and rural development at national level. The national CAP networks shall build on the existing networking experience and practices in the Member States.

1a. **Where necessary, due to the Member State's institutional, legal and financial framework, two or more regional CAP Networks may be established for the purpose of paragraph 1. In this case, the combined objectives and tasks of these regional CAP Networks as set out in paragraphs 3 and 4 shall cover the entire territory of the Member State concerned.**

2. The Commission shall establish a European network for the Common Agricultural Policy ('European CAP network') to link national networks, organisations, and administrations in the field of agriculture and rural development at Union level.

3. The objectives of the national and European CAP networks shall be to:

(a) involve stakeholders in the ~~design and~~ implementation **and, where relevant, the design** of the CAP interventions of the NRP Plan;

(b) support Member State administrations in implementing the CAP interventions;

(c) improve the quality of the ~~NRP Plans and in particular their~~**implementation of** measures related to agriculture and **rural development under the NRP Plans and** disseminate results;

(d) foster innovation, peer-to-peer learning, and knowledge-sharing;

(e) enhance monitoring and evaluation capacities;

(f) disseminate information on the CAP and **inform potential beneficiaries of** funding opportunities;

(g) contribute to further development of the CAP**, including contributing to the development of the future CAP, and examination of previous CAP programmes**.

4. To achieve the objectives referred to in paragraph ~~6~~**3**, the networks shall:

(a) collect, analyse, and disseminate information on good practices concerning the CAP as well as analysis on developments in agriculture and rural areas;

(b) build capacity for Member States' administrations and other actors involved in the implementation, monitoring and evaluation of the NRP Plans concerning the CAP;

(c) facilitate exchanges, peer-to-peer learning, and networking, including where relevant exchanges with networks in third countries;

(d) support the networking of funded cooperation projects, such as local action groups under Article XX of this Regulation [LEADER] **and under Article XX of Regulation (EU) […] [NRP – CLLD]**, EIP-AGRI operational groups referred to in Article 19 of this Regulation and promote links to other Union-funded strategies **and other relevant actors**.

5. The European CAP network and the national CAP networks shall collaborate and carry out joint activities in the achievement of the objectives referred to in paragraph 3. The European CAP network shall use a distinctive visual identity.

5a. **The cost of establishing and operating the national CAP Networks may be funded by Member States under technical assistance as referred to in Article XX of Regulation (EU) […][NRP].**

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Chapter III

Implementation of international commitments

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Article 20i

[Article 40 NRP Regulation]

WTO domestic support

1. Member States shall design the CAP income support interventions on the basis of the types of intervention listed in Annex IIa [WTO Annex] to this Regulation, including the definitions and conditions laid down in Articles 2a and 2b [definitions and framework definitions], in such a way that they qualify under the criteria of Annex 2 to the WTO Agreement on Agriculture.

2. The support referred to in Article 5(1), points (a), (d), (f), (g), (o) and (p) of this Regulation shall qualify under the criteria of the paragraphs of Annex 2 to the WTO Agreement on Agriculture indicated in Annex IIa [WTO Annex] to this Regulation for those interventions. For other interventions, the paragraphs of Annex 2 to the WTO Agreement on Agriculture indicated in Annex IIa [WTO Annex] to this Regulation [WTO Annex] are indicative and those interventions may instead comply with a different paragraph of Annex 2 to the WTO Agreement on Agriculture if that is specified and explained in the NRP Plan.

Article 20j

[Article 41 NRP Regulation]

Implementation of the Memorandum of Understanding on oilseeds

1. Where Member States provide for area-based interventions relevant for the Annex to the Memorandum of Understanding between the European Economic Community and the United States of America on oilseeds under GATT, the total of the support area based upon the planned outputs included in the Plans of the Member States concerned shall not exceed the maximum support area for the whole Union.

2. Each Member State that intends to grant the support referred to in paragraph 1 of this Article shall indicate the corresponding planned outputs in hectares in the NRP Plan.

3. If all planned outputs proposed by Member States in their NRP Plans exceed the maximum support area for the whole Union referred to in paragraph 1 of this Article, the Commission shall adopt implementing acts fixing the indicative reference support area for each Member State calculated on the basis of each Member State's share of the average cultivation area in the Union during the five years preceding the submission of the Plan proposal. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24(2) of this Regulation [committee procedure].

4. The Commission shall inform each of those Member States of the reduction coefficient. The Member States shall adjust the proposed planned outputs in the NRP Plans in accordance with the reduction coefficients.

5. If a Member State intends to increase the planned outputs referred to in paragraph 1 set out in the NRP Plan, it shall notify the Commission by means of a request to amend the NRP Plan.

6. Where necessary to avoid that the maximum support area for the whole Union referred to in paragraph 1 is exceeded, the Commission shall set reduction coefficients or revise existing reduction coefficients for all Member States that exceeded their reference support area in their NRP Plans.

   The Commission shall set or revise the reduction coefficients referred to in the first subparagraph by means of an implementing decision.

7. Member States shall exclude the cultivation of confectionery sunflower seed from any area-based intervention referred to in paragraph 1.

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Chapter IV

Control and penalty systems and data governance under the CAP

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Article 20k

[Article 62(2) to (5) and (8) NRP Regulation]

Control and penalty system for farm stewardship

1. For the purposes of the obligation laid down in Article 62(1), first subparagraph, of Regulation (EU) […] [NRP], Member States ~~shall~~**may** make use of their control and enforcement systems in the areas of climate and environment, public health, plant health and animal welfare~~, social and employment legislation, applicable labour~~ standards to ensure that beneficiaries of the support comply with the statutory management requirements listed in Annex I, Part A.

2. The ~~managing authority or paying agency~~**Member States** shall ~~be notified where relevant at least once a year of cases of non-compliance where enforceable decisions in that respect have been made under the applicable control and enforcement systems referred to in paragraph 1. That notification shall include an assessment and grading of~~**set up a system to implement administrative penalties, including ensuring access to the necessary information to assess and grade** the severity, extent, permanence or reoccurrence and intentionality of the non-compliance concerned. **The relevant competent authority shall exchange the data and control results with the CAP paying agency at least once a year.**

3. The administrative penalties referred to in paragraph 4 shall only apply to non-compliance with the requirements of the farm stewardship referred to in Article 3 where that non-compliance is the result of an act or omission directly attributable to the beneficiary concerned, and where one or both of the following conditions are met:

   (a) the non-compliance is related to the agricultural activity of the beneficiary, as defined by Member States in their NRP Plans in accordance with Article ~~2a(2)~~**2b(3)** of this Regulation [Article 4(22) and (23) NRP Regulation];

(b) the non-compliance concerns the holding as defined in Article 4(15) [definitions - holding], of Regulation (EU) […] [NRP] or other areas managed by the beneficiary situated within the territory of the same Member State.

However, if the non-compliance concerns forest areas, the penalties referred to in paragraph 4 shall not be applied where no support is claimed for the area concerned.

4. Member States shall ~~set up a system of~~**apply** administrative penalties ~~applying~~ to beneficiaries referred to in paragraph 3 who do not comply, at any time in the calendar year concerned, with the requirements of the farm stewardship.

Member States may decide not to apply an administrative penalty to a beneficiary per a calendar year (a) where the amount of the penalty does not exceed EUR [150]; or, (b) where the amount of the penalty falls between EUR [150] and EUR [250], provided that the Member State concerned applies, under its national law, a threshold equal to or higher than that amount below which administrative penalties of a comparable nature are not applied.
However, the beneficiary shall be informed about the finding of the non-compliance and about the obligation to take remedial action for the future.

The penalties shall consist of the reduction or exclusion of the total amount of the payments under measures listed in Article 5(1), points (a) to (f), and (o) and (p), to the extent they concern support for local agricultural products, granted or to be granted to the beneficiary concerned in respect of aid applications that the beneficiary has submitted or will submit in the course of the calendar year of the finding of the non-compliance. The penalties shall be calculated on the basis of the payments granted or to be granted in the calendar year in which the non-compliance occurred. However, where it is not possible to determine the calendar year in which the non-compliance occurred, the reductions or exclusions shall be calculated on the basis of the payments granted or to be granted in the calendar year of the finding of the non-compliance.

For the calculation of those penalties, account shall be taken of the severity, extent, permanence or reoccurrence and intentionality of the non-compliance determined. A penalty imposed pursuant to the national legislation implementing the legal acts listed in Annex I, part A, for the same act or omission of a farmer or other beneficiary ~~shall~~**may** be taken into account in the calculation of penalties referred to in the first subparagraph.

The expenditure which has been reduced as a result of the application of a penalty shall be considered legal and regular. The reduction shall, as a general rule, be 3 % of the total amount of the payments. In the case of intentional non-compliance, the reduction shall be at least 15 % of the amount of those payments.

Member States shall provide that no administrative penalty shall be imposed if:

(a) The non-compliance is due to force majeure or exceptional circumstances;

(b) The non-compliance is due to an order from a public authority.

(c) Where the non-compliance has no or only insignificant consequences for the achievement of the objective of the standard or requirement concerned, no administrative penalty shall be applied.

5. In order to ensure a level playing field among Member States and the effectiveness, proportionality and dissuasive effect of the penalties referred to in paragraph 4, the Commission is empowered to adopt delegated acts in accordance with Article 23 supplementing this Regulation with detailed rules on the application and calculation of the penalties.

Article 20l

[Article 70(4) to (10) NRP Regulation]

Integrated Administration and Control System (IACS)

1. Member States shall annually assess the quality of the elements of the integrated system referred to in paragraph 3, points (a), (b) and (c) of Article 70 of Regulation (EU) […] [NRP] , in accordance with the methodology set up at Union level.

Where the assessment reveals deficiencies in the elements of the integrated system, Member States shall adopt appropriate remedial actions or, failing that, shall be requested by the Commission to set up a roadmap detailing the timeline for implementing the outstanding remedial actions.

Any deficiencies found in the assessment shall not directly form a basis for suspension of payments or calculation of financial corrections.

An assessment report and, where appropriate, the remedial actions and the timetable for their implementation shall be submitted to the Commission by 15 ~~February~~**March** following the calendar year concerned.

2. The Commission shall supply the satellite data, required for the agriculture monitoring system, free of charge to the authorities competent for the agriculture monitoring system or to suppliers of services authorised by those authorities to represent them. For the purpose of the quality assessment of the integrated system referred to in paragraph 1, the Commission shall provide them, free of charge, the necessary Very High Resolution imagery. The Commission shall remain the owner of the satellite data and imagery.

3. Without prejudice to the responsibilities of the Member States for the implementation and application of the integrated system Member States shall establish the European land monitoring system. It shall provide information to farmers to support sustainable management of their holdings. Furthermore, it shall provide data for CAP policy development and monitoring, and promote sharing of farm sustainability data.

4. The European land monitoring system shall comprise ~~at least~~ the data related to the elements of the integrated system referred to in paragraph 3 of Article 70 of Regulation (EU) […] [NRP] and, where applicable, data shared by farmers with public authorities in accordance with Article ~~10~~**21 of this Regulation**. The Member States may provide additional services to enhance the European land monitoring system with other sources of information to the benefit of the farmers.

4a. Member States shall ~~annually~~ carry out administrative checks on the aid application and payment claims ~~to verify legality and regularity in accordance with the control and penalty system that they have set up referred to in~~**for the purpose of** Article ~~70(4)(f)f~~**58(2)(a) of** Regulation (EU)…(NRP). Those checks shall be supplemented by on-the-spot checks, which may be executed remotely with the use of technology. However, Member States may choose not to carry out on the spot checks where the eligibility conditions ~~of measures~~ are monitored under the agriculture monitoring system referred to in point (a) of ~~this~~ Article **70(3) of Regulation (EU) ...(NRP)**. [Transferred from Art. 70(4)(rf) NRP on 4 June 2026]

5. Where necessary to ensure that the integrated system provided for in Article 70 of Regulation (EU) […] [NRP] and in this Article is implemented in an efficient, coherent and non-discriminatory way which protects the financial interests of the Union, the Commission is empowered to adopt delegated acts in accordance with Article 23 **of this Regulation**, supplementing this Regulation with:

(a) rules on the methodology set up at Union level for the annual quality assessment of the elements of the integrated system, referred to in paragraph (3), points (a), (b) and (c) of Article 70 of Regulation (EU) […] [NRP];

(b) rules on the Land Parcel Identification System LPIS, referred to in paragraph 3, point (c) of Article 70 of Regulation (EU) […] [NRP].

6. The Commission may adopt implementing acts laying down rules on:

(a) the form ~~and content~~ of, and arrangements for transmitting or making available to the Commission of:

(I) the assessment report referred to in paragraph (1);

(II) the remedial actions provided by Member States;

(b) basic **technical** features of~~, and rules on the~~:

(I) Agriculture Monitoring System (~~AGMS~~**AMS**);

(II) ~~geo-spatial~~**Geo-Spatial** and animal-based Application system (GSA);

(III) Land Parcel Identification System (LPIS);

(IV) the European land monitoring system.

7. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 24 [committee procedure, examination procedure].

Title V
Competition provisions

PUBLIC

Article 21a

[Article 84 NRP Regulation]

Rules applying to undertakings

Where support is granted through CAP interventions referred to in Article 5(1) of this Regulation to forms of cooperation between undertakings, it may be granted only to such forms of cooperation which comply with the competition rules provided for in Regulation (EU) No 1308/2013.

Article 21b

[Article 85 NRP Regulation]

State aid

1. Save as otherwise provided for in this Article, Articles 107, 108 and 109 TFEU shall apply to support under this Regulation and Regulation (EU) No 1308/2013 in relation to types of interventions laid down in Part II, Title I, Chapter IIa of that Regulation.

2. Articles 107, 108 and 109 TFEU shall not apply to support paid by Member States pursuant to and in accordance with this Regulation and to the national contribution to eligible costs provided by Member States for the CAP interventions referred to in Article 5(1), points (d) to (f) and (h) to (s) of this Regulation or to the additional national financing provided for CAP interventions referred to in Article 5(1), points (d) to (f) and (h) to (s) of ~~that~~**this** Regulation, falling within the scope of Article 42 TFEU.

3. Support provided by Member States referred to in paragraph 1 in relation to operations falling within the scope of Article 42 TFEU that is intended to provide additional financing for interventions referred to in Article 5(1), points (d), (e), (f) and (h) to (s) of this Regulation for which Union support is granted at any time during the Plan period may only be made if it complies with this Regulation, Regulation (EU) …[NRP Regulation] and Regulation (EU) No 1308/2013 and is set out in the NRP Plan.

4. Member States shall not provide additional national financing for interventions referred to in Article 5(1), points (a), (b), (c) and (g) of this Regulation.

5. For the agricultural products covered by Annex I to the TFEU, to which Articles 107, 108 and 109 thereof apply, the Commission may authorise, in accordance with Article 108 TFEU, operating aid in the sectors producing, processing and marketing those products, with a view to alleviating the specific constraints on farming in the smaller Aegean islands as a result of their isolation, insularity, small size and extreme remoteness.

Member States may grant additional financing for the implementation of interventions in the smaller Aegean islands pursuant to this Regulation. In such cases, the Member States shall notify the additional financing to the Commission and the Commission may approve it in accordance with Regulation (EU) No … [NRP Regulation] as part of the Plans. Thus, aid notified shall be regarded as notified within the meaning of the first sentence of Article 108(3) TFEU.

6. By way of derogation from Article 211 of Regulation (EU) No 1308/2013 and Article 3 of Council Regulation (EC) No 1184/2006, Articles 107, 108 and 109 TFEU shall not apply to payments to support local agricultural production and specific supply arrangements made by Member States in accordance with this Regulation.

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